Illinois Department of Insurance
Workers' Compensation Fraud Unit

2009 Annual Report to the Workers' Compensation Advisory Board

Pat Quinn, Governor

Michael T. McRaith, Director

Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

October 27, 2009

The Honorable Pat Quinn
Governor
207 Statehouse
Springfield, IL 62706

Re: Workers' Compensation Fraud Unit – 2009 Annual Report

Dear Governor Quinn:

On behalf of the Department of Insurance and pursuant to Section 25.5(h) of the Workers' Compensation Act, I hereby submit the Workers' Compensation Fraud Unit's 2009 Annual Report.

Respectfully Submitted,

Illinois Department of Insurance

Michael T. McRaith
Director

cc: Senate President John J. Cullerton
Senate Minority Leader Christine Radogno
Speaker of the House Michael J. Madigan
House Minority Leader Tom Cross
Amy J. Masters, Acting Chairman of the Illinois Workers' Compensation Commission

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I. Introduction

In 1911, Illinois became one of the first states in the nation to pass comprehensive workers' compensation laws. While State law changed over the years along with the problems facing Illinois employees and employers, the basic principle guiding the State workers' compensation system is unchanged – employees and employers deserve a reliable and affordable system of insurance which protects injured workers and their families from financial catastrophe.

Today, almost every working resident of Illinois must be covered by workers' compensation insurance. State law requires employers to pay for workers' compensation benefits through insurance policies or self-insurance. Employers and employees benefit from the State's mandatory no-fault system: employers avoid costly litigation and employees receive fair compensation for work-related injuries.

Illinois enjoys a favorable business environment in part due to the continued availability of cost-effective insurance to guard against employment-related injuries. The Illinois market is highly competitive – in 2008, more company groups wrote direct workers' compensation premium in Illinois than in all but one other state.[1] This competition helped Illinois reduce its inflation-adjusted advisory rate for workers' compensation insurance by 33% from 1990 to 2008.[2]

In 2005, business, labor, and government leaders got together with the goal of further reducing costs by addressing the problem of fraud and non-compliance in the Illinois workers' compensation system. Later that year, the General Assembly passed House Bill 2137, which

[1] 132 company groups in Indiana, compared with 127 in Illinois. A.M. Best State/Line Database (Best's Market Share Reports – One Year Premiums and Loss, Workers' Compensation, 2008).

[2] The reduction in the advisory rate was calculated using advisory rates filed annually by the National Council on Compensation Insurance ("NCCI"), a rating organization authorized to file rates on behalf of companies pursuant to Section 459 of the Illinois Insurance Code (215 ILCS 5/459). Pursuant to State law, every insurance company offering workers' compensation insurance in Illinois must file rates with the Department of Insurance (215 ILCS 5/457 and 50 Ill. Admin. Code 2902). Most companies satisfy this requirement by adopting the annual rate filed with the Department by NCCI.

would become Public Act 94-277. This historic piece of legislation established in Illinois, for the first time, a statute devoted specifically to criminalizing and authorizing investigation of workers' compensation insurance fraud.

II. General Summary of Reform

Public Act 94-277, later codified as Section 25.5 of the Workers' Compensation Act ("Act")(820 ILCS 305/25.5), introduced two major anti-fraud reforms. First, the Act calls for the Illinois Department of Insurance ("Department"),[3] to create an investigative unit, hereafter referred to as the Workers' Compensation Fraud Unit ("WCFU"), to examine reports of workers' compensation fraud and insurance noncompliance. Section 25.5(c) of the Act provides that it "shall be the duty of the [WCFU] to determine the identity of insurance carriers, employers, employees, or other persons or entities who have violated the fraud and insurance non-compliance provisions." 820 ILCS 305/25.5(c).

The Act's fraud and insurance non-compliance provisions – provisions which define the WCFU's investigative mission – constitute the second major anti-fraud reform. Prior to the passage of P.A. 94-277, the Workers' Compensation Act did not specifically define as unlawful the fraudulent receipt, denial, or application for workers' compensation benefits. The Act now outlaws eight specific fraudulent acts, namely:

1. Intentionally presenting or causing to be presented any false or fraudulent claim for the payment of any workers' compensation benefit;
2. Intentionally making or causing to be made any false or fraudulent material statement or material representation for the purpose of obtaining or denying any workers'

[3] Section 25.5 states that the "Division of Insurance of the Department of Financial and Professional Regulation" shall establish the WCFU. Pursuant to Executive Order 4 (2009) and a statute passed by the General Assembly, the Division of Insurance was re-established as the Department of Insurance effective June 1, 2009. For purposes of this memorandum, any reference in section 25.5 to the Division of Insurance shall be amended to reflect this change.

compensation benefit;

3. Intentionally making or causing to be made any false or fraudulent statements with regard to entitlement to workers' compensation benefits with the intent to prevent an injured worker from making a legitimate claim for workers' compensation benefits;
4. Intentionally preparing or providing an invalid, false, or counterfeit certificate of insurance as proof of workers' compensation insurance;
5. Intentionally making or causing to be made any false or fraudulent material statement or material representation for the purpose of obtaining workers' compensation insurance at less than the proper rate for that insurance;
6. Intentionally making or causing to be made any false or fraudulent material statement or material representation on an initial or renewal self-insurance application or accompanying financial statement for the purpose of obtaining self-insurance status or reducing the amount of security that may be required to be furnished;
7. Intentionally making or causing to be made any false or fraudulent material statement to the WCFU in the course of an investigation of fraud or insurance non-compliance; and
8. Intentionally assisting, abetting, soliciting, or conspiring with any person, company or other entity to commit any of the acts listed above.

These eight prohibitions define the nature and scope of WCFU investigations.

WCFU responsibilities under the Act involve investigation and referral for prosecution. Violations must be reported to the Attorney General or to the appropriate county State's Attorney for prosecution. Penalties vary based upon the offense. For example, persons who make a false report of fraud are guilty of a Class A misdemeanor while those who violate any of the Act's fraud provisions are guilty of a Class 4 felony and must pay restitution in addition to any fine.

III. Creating and Overseeing the WCFU

Section 25.5(c) of the Act charged the Department with responsibility for establishing the WCFU. The Department established the WCFU in 2006 and now oversees and guides its operations.

A. Best Practices

As a result of a nationwide survey of best practices and careful Illinois-specific planning, clear and efficient systems govern WCFU operations from the report of fraud to closure or referral for prosecution.

1. Reports

The WCFU reporting system solicits, records, and tracks reports of insurance fraud. Complainants are required by statute to identify themselves and can report fraud by regular mail, electronic mail, or by calling the Unit's toll-free telephone number (1-877-923-8468). After receiving a report, a WCFU investigator contacts the complainant and, if necessary, requests additional information. The investigator may refer the complainant to the Department's website, which prominently displays detailed information about the complaint process, including the minimum information necessary to initiate an investigation. *See* http://www.insurance.illinois.gov/General/WorkCompFraudCheck List.asp.

2. Investigations

An investigation begins after the WCFU receives all necessary information. The Supervisor first reviews the report of alleged workers' compensation fraud. If the report is frivolous or unsubstantiated, the investigation ceases and the report is closed. If the Supervisor finds evidence sufficient to justify further inquiry, the report information is entered into a central computer database and a case number and investigator are assigned.

While structurally similar, each investigation differs based upon a host of factors, including the nature and quality of the initial report. Most investigations involve: (1) review of documentary and physical evidence; (2) interview of persons related to the case (*e.g.*, complainants, witnesses, insurance company personnel, and physicians); (3) analysis of physical and geographic circumstances; and (4) detailed background checks of persons related to the case (*e.g.*, investigative targets and witnesses). The WCFU also issues subpoenas and engages in undercover surveillance to ensure complete and meaningful investigations.

3. Referrals for Prosecution

At the conclusion of each investigation, the WCFU either closes the case or refers it for prosecution. If the inquiry does not produce evidence sufficient to find probable cause to believe an individual or entity committed a Class 4 felony under the Act, the case is closed. Investigations that produce evidence sufficient to meet the probable cause standard are referred to the Illinois Attorney General or the State's attorney of the county in which the offense allegedly occurred.

The WCFU has built strong working relationships with relevant prosecuting authorities. Investigators regularly work with and refer cases to the Illinois Attorney General. In 2008, the WCFU referred cases to and worked with State's Attorneys representing 14 counties: Bureau, Champaign, Cook, DuPage, Ford, Franklin, Kane, Kankakee, Lake, Madison, St. Clair, Tazewell, Union, and Will.

4. Confidentiality

The confidentiality of all fraud reports and associated medical records is strictly maintained. The Act makes two exceptions to this general rule. First, WCFU referrals to prosecuting authorities include case-related confidential information. Second, in limited circumstances, the Act requires disclosure of limited information about the report. For example, upon initiation of

an investigation, the WCFU must immediately notify the respondent of the reported conduct, including the verified name and address of the complainant if the complainant is connected to the case.

5. State Agency Coordination

To promote efficient administration of state government, the WCFU takes reports from and shares expertise with existing state agencies, including the Illinois Workers' Compensation Commission and the Illinois Department of Employment Security. The WCFU also benefits from expertise provided by the Illinois Attorney General and various county State's Attorneys.

B. Outreach

To promote awareness of the WCFU, the Department's Director, Michael T. McRaith, and WCFU members reach out to individuals and entities most likely to be affected by workers' compensation fraud. The primary targets of the outreach include elected officials and their constituents, local chambers of commerce, insurance companies, and insurance-related associations. WCFU investigators are also in regular contact with appropriate law enforcement and prosecutorial authorities.

Through the end of 2008, the WCFU has initiated 183 case investigations since its inception in 2006. These investigations bring the WCFU into direct contact with thousands of employers, witnesses, local and state police officers, federal agents, prosecutors, and insurance company employees. This on-the-ground reputation is critical to the future success of the WCFU.

IV. Lessons Learned

During its first three years of operation, WCFU investigators have learned many valuable lessons, including the importance of building working relationships with state law enforcement authorities. Hard-working state and county prosecutors possess broad discretion but limited resources. WCFU investigators, therefore, work to aid prosecutors in the exercise of their

discretion. For example, cases referred for prosecution are presented clearly and succinctly and investigators assist the Illinois Attorney General or respective State's Attorney throughout any criminal case. This communication and assistance builds understanding and trust, which improves future referrals and prosecutions.

Clear communication of the WCFU's investigative authority has also improved results. Some complainants (*e.g.*, employers, insurers, employees) were, at first, confused about what kind of evidence the WCFU needed to successfully investigate an allegation of fraud. For example, insurance company special investigation units were copying and sending entire employee personnel files rather than just those parts relevant to the alleged fraud. WCFU investigators contacted the companies and detailed the evidence needed to prove workers' compensation fraud.

As the size and complexity of WCFU cases has grown, so too has the WCFU's cooperation and coordination with other investigative and law enforcement agencies. WCFU investigators work with the Federal Bureau of Investigation, the Postal Inspector's Office, the Internal Revenue Service, state medical investigators, local police departments, the Illinois State Police, and numerous State's Attorney investigators. Investigators also share non-confidential information with organizations dedicated to identifying and stopping fraud conspiracies, including the National Insurance Crime Bureau and the Health Care Fraud Working Group assembled by the U.S. Department of Justice.

V. Getting Results

The primary responsibility of the WCFU is, as described above, to conduct investigations and refer cases for prosecution. To fulfill this task, WCFU investigators each year spend thousands of hours conducting field investigations, review hundreds of hours of surveillance footage, issue hundreds of subpoenas seeking insurance, payroll, medical, and other records, and review hundreds of thousands of emails and hard-copy documents.

Perhaps the ultimate measure of success, however – both for WCFU investigators and for the fraud victims (whether employees, employers or insurance carriers) on whose behalf they act – is the number of cases resulting in convictions. By this measure, 2008 was a breakthrough year for the WCFU. As a result of WCFU investigations and referrals, in 2008 the Attorney General and various county State's Attorneys secured convictions against 7 individuals charged with felony workers' compensation fraud. Collectively, the sentences for these individuals totaled more than $50,000 in restitution costs, $5,000 in fines and fees, 144 months of probation, 400 hours of community service, and 2 years prison time. *See* Exhibits A and C.

A. Investigations and Referrals – 2008

The WCFU received reports of workers' compensation fraud in 2008 that did not warrant further investigation because of insufficient evidence or because the statute of limitations expired. Sufficient evidence did exist, however, to initiate 41 investigations in calendar year 2008. WCFU investigators also continued work on an additional 29 cases that were opened in the previous calendar year.

Of the investigations that were completed in 2008, 35 produced evidence sufficient to meet the probable cause standard required for referral to prosecuting authorities. The following are referral results for 2008:

- 35 cases were referred for prosecution, with an approximate total fraud amount of $4,141,491. *See* Exhibits A, B, D and E.
    - 25 referrals involved allegations of workers' compensation fraud committed by an employee, with an approximate total fraud amount of $1,446,296.
    - 8 referrals involved employer-based workers' compensation fraud, with an approximate total fraud amount of $1,906,859.

- 2 referrals involved allegations of workers' compensation fraud committed by an insurance agent, with an approximate total fraud amount of $768,336.

- 16 cases were investigated and closed without referral for prosecution due to insufficient evidence or lack of probable cause.
- 19 cases remained active at the close of calendar year 2008.

The investigated cases involve a variety of fraudulent actors (*e.g.*, employees, employers, insurance agents, medical providers) and a range of ill-gotten gains. In some cases the fraud was detected before the payment of benefits; other cases involved total payments ranging from $1,511 to $1,351,095. Examples of cases referred for prosecution include:

- Employee or Claimant Fraud. *See* Exhibit B.
    - An employee claimed he suffered a back injury while lifting a bag of concrete at work, ultimately collecting $20,909 in temporary total disability payments and an additional $19,000 in medical benefits. Evidence uncovered by the WCFU reveals that the employee, during the time he was collecting benefits and in violation of doctor's orders to refrain from work due to the purported injury, personally oversaw and helped execute the rehab of an 1100-square-foot storefront for a business he was opening. Witnesses observed the employee performing physically demanding tasks, such as lifting sheets of dry wall and laying tile for a new floor.
    - An employee fractured his ankle in a work-related injury that required corrective surgery and subsequent physical therapy. During follow-up visits to his treating physician and physical therapist, the employee complained of limited motion, weakness, and sharp pain in the ankle. During this same period in which he was

collecting total temporary disability benefits, video surveillance showed the employee working for another company and performing numerous other tasks in violation of his medical restrictions. WCFU investigators concluded that the employee exaggerated the extent of his injury in order to collect more than $9,000 in TTD payments and $8,500 in medical benefits.

- Employer Fraud. *See* Exhibit B.
    - WCFU investigators concluded that an employer without workers' compensation insurance attempted to prevent an injured employee from filing a legitimate claim. The employer asked the injured employee to delay calling an ambulance and to help stage the accident scene to make the injury appear non-work-related.
    - A WCFU investigation revealed that a roofing contractor attempted to lower his workers' compensation premiums by claiming to do carpentry work instead of roofing, and by under-reporting his payroll expenses. The total amount of lost premiums due the insurance carrier equaled $177,685.
- Insurance Producer Fraud. *See* Exhibit B.
    - Two separate WCFU investigations uncovered extensive fraud schemes whereby insurance producers (*i.e.*, insurance agents or brokers) would accept payments for the purchase of workers' compensation insurance but spend the money for personal use instead. In both cases, the insurance producers created fraudulent certificates of insurance to mislead their clients into believing they had purchased valid workers' compensation coverage. Combined, more than 36 businesses were affected by the schemes, with total fraud amounts equaling nearly $770,000.

B. Prosecutions

WCFU Referrals Resulting in Felony Indictments

The WCFU investigates workers' compensation fraud but does not prosecute. The power to decide whether to press criminal charges rests solely with the prosecutor who receives the WCFU referral – the Illinois Attorney General or relevant county State's Attorney. WCFU efforts to develop improved working relationships with state and county prosecutors throughout Illinois are beginning to produce tangible results: 13 WCFU referrals have resulted in felony indictments during 2008 and the first half of 2009, compared to only 8 from all of 2006 and 2007. *See* Exhibit F.

- In 2008, as a result of WCFU referrals, the Illinois Attorney General and county State's Attorneys from DeKalb, Kankakee, Cook, and Lake Counties secured felony indictments against a total of 4 individuals.
- In the first six months of 2009, as a result of WCFU referrals, the Attorney General and county State's Attorneys from Kane, Cook, Lake, Will, Champaign, Kankakee, and Macon Counties secured felony indictments against a total of 9 individuals.

WCFU Referrals Resulting in Convictions

WCFU investigators are often asked to assist in the prosecution of cases involving workers' compensation fraud, and may provide testimony before a grand jury or be called as witnesses in the trial. As mentioned above, WCFU referrals resulted in convictions against 7 individuals in 2008. *See* Exhibits A and C.

- In one case resulting in a 2008 conviction, an employee reported that he had injured his lower back and left leg while exiting his truck during work. The man filed a claim with the Illinois Workers' Compensation Commission (IWCC) and received medical benefits

and TTD payments. Covert video surveillance conducted on multiple dates during the period in which the employee was collecting TTD benefits showed him performing activities inconsistent with his purported injuries and in violation of medical restrictions recommended by his treating physician.

WCFU investigators referred the case to the DuPage County State's Attorney for prosecution. The defendant entered a guilty plea and was convicted in October of 2008 on an amended count of insurance fraud under $300, a Class A misdemeanor (720 ILCS 5/46-1 (a)(1)). The defendant was sentenced to 2 years probation, ordered to pay restitution to his employer in the amount of $13,135, ordered to pay an additional $2,457 in fines and fees, and ordered to perform 100 hours of community service.

- In another case resulting in a 2008 conviction, an employee reported that he injured his eye while cutting a piece of metal at a job site in June 2006. The employee filed a claim with the IWCC and received TTD and medical benefits. The first two physicians treating the employee cleared him to return to work after a period of 10 days. After seeking treatment with a third physician, the man altered his medical records to exaggerate the extent of his injuries. He changed the medical records from this third doctor's visit to read that his vision was "20/200" instead of "20/15," that the date of the visit was "8-18-06" instead of "8/29/06," and changed the phrase "corneal scar is not affecting vision" to "corneal scar is affecting vision."

  WCFU investigators referred the case to the Cook County State's Attorney for prosecution. The defendant was convicted in January 2008 on one count of workers' compensation fraud (820 ILCS 305/25.5 (a)(1)), and was sentenced to 2 years in prison.

2008 WCFU Investigations and Results

	Employee / Claimant	Employer	Insurance Provider	Attorney	Healthcare Provider	TOTALS
Assigned	25	9	4	1	2	**41**
Referred for Prosecution	25	8	2	0	0	**35**
Fraud Amount	$1,466,296	$1,906,859	$768,336	N/A	N/A	***$4,141,491***
Dismissed	11	2	1	1	1	**16**
Indictments	3	0	1	0	0	**4**
Convictions	7	0	0	0	0	**7**
Restitution	$53,571	N/A	N/A	N/A	N/A	***$53,571***

Appendix A

2008 WCFU Referrals for Prosecution

Employee/Claimant Fraud

FRAUD AMOUNT	CASE DESCRIPTION
$673,475	Submits fraudulent paycheck stub in order to increase wage differential award
$442,924	Claimant uses fraudulent pay stub and provides false testimony at IWCC trial
$47,725	Works as carpenter while collecting TTD
$45,500	Uses false Social Security number to collect benefits
$40,000	Video shows claimant playing in softball and bowling leagues while collecting TTD
$38,529	Works 2 other jobs while collecting TTD; conceals employment from doctor and employer
$24,638	Medical records and video evidence refute claimant's account of injury
$20,909	While collecting TTD, performs remodeling work in conflict with medical restrictions
$20,000	Works for another plumbing company while collecting TTD
$19,741	Works as truck driver, in conflict with medical restrictions, while collecting TTD
$17,880	Witnesses and video show claimant working construction despite permanent medical restrictions
$14,610	Owns and operates a moving company while collecting TTD
$11,321	Work and personal activity are inconsistent with back injury
$8,728	Observed repairing a roof and doing other jobs while collecting permanent total disability payments
$8,293	Alters medical records to authorize 12 days off work instead of the 2 days ordered by physician
$7,025	Works and performs activities outside of medical restrictions while collecting TTD
$6,013	Admits to working two other jobs while collecting TTD
$4,800	Stages a work-related accident and is later observed performing activities inconsistent with injury
$4,000	After receiving TTD and medical benefits, admits to supervisors that injury did not occur at work
$3,678	Witnesses and co-workers dispute claimant's account of work injury
$2,998	Video shows claimant using pick-axe in direct conflict with medical restrictions
$1,998	Works as delivery driver while collecting TTD
$1,511	Witness statements and timecard indicate claimant was not at work on date of alleged injury
$0*	Attempts to file claim after being fired for being intoxicated at work
$0	Witness verifies that injury resulted from fall off ladder while installing cabinets at home
$1,466,296	***TOTAL CASES = 25***

(* Generally, loss amounts of $0 indicate cases where fraud was discovered prior to payment of benefits)

Employer Fraud

FRAUD AMOUNT	CASE DESCRIPTION
$1,351,095	Underreports payroll in order to obtain lower premiums for WC insurance
$177,685	Deliberately misclassifies employees in order to lower premiums
$162,622	Fails to report $38,000 in unpaid premiums from previous WC insurance policy
$115,678	Employee leasing company keeps money intended for WC insurance; forges certificate of insurance
$53,319	Restaurant owner fails to obtain WC insurance; lies about employee's workplace injury
$40,000	Business owner without WC insurance attempts to prevent injured employee from filing claim
$6,460	Submits fraudulent certificate of WC insurance in order to secure contract for electrical work
$0	Pays employees in cash and underreports payroll in effort to obtain lower WC insurance premiums
$1,906,859	***TOTAL CASES = 8***

Insurance Producer Fraud

FRAUD AMOUNT	CASE DESCRIPTION
$400,000	Insurance agent keeps money intended for WC insurance and produces fraudulent certificates of insurance
$368,000	Insurance agent keeps money intended for WC insurance and produces fraudulent certificates of insurance
$768,000	***TOTAL CASES = 2***

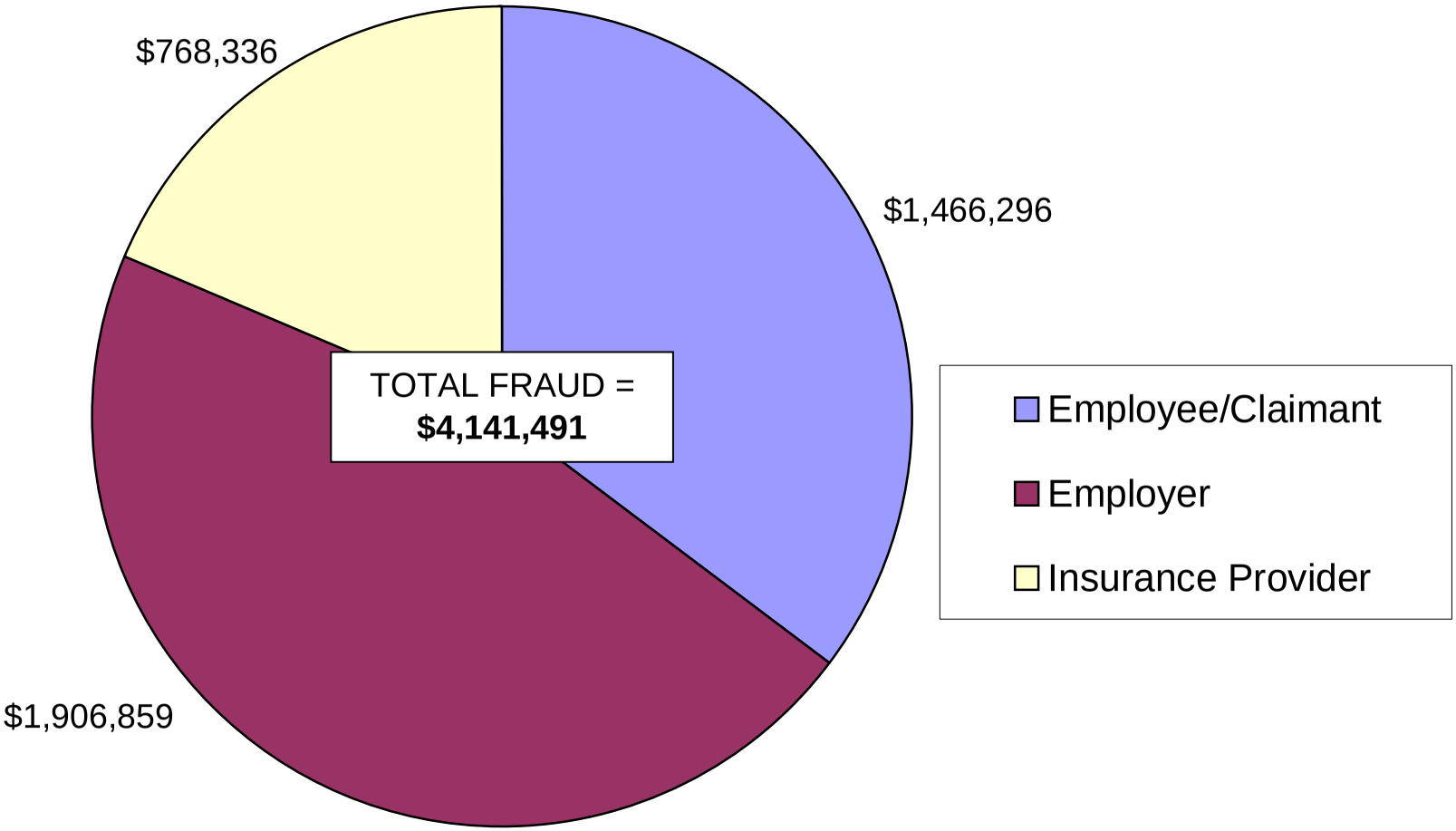
Appendix B

2008 Convictions Resulting from WCFU Referrals

County	Date	Charges	Conviction	Sentence	Summary
Cook	01/16/08	One count of forgery, a Class 3 felony [720 ILCS 5/17-3 (a)(1)]; two counts of workers' compensation (WC) fraud, Class 4 felonies [820 ILCS 305/25.5 (a)(1) and (a)(2)]	One count of WC fraud [820 ILCS 305/25.5 (a)(1)]	2 years in state prison.	The defendant altered medical records to obtain medical and TTD benefits he was not entitled to receive.
Cook	05/13/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1) and (a)(2)]	One count of WC fraud [820 ILCS 305/25.5 (a)(1) and (a)(2)]	Probation and $190 fine.	The defendant reported a work injury that medical records indicated occurred on the weekend while off work.
Champaign	07/11/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1)]	One count of WC fraud [820 ILCS 305/25.5 (a)(1)]	30 months probation; 100 hours of public service; restitution of $13,122; fines and fees of $360.	The defendant was observed performing activities that were inconsistent with her purported injury.
Peoria	07/17/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1)]	One count of WC fraud [820 ILCS 305/25.5 (a)(1)]	30 months probation; restitution of $10,000; fines and fees of $1,040.	The defendant was observed violating medical restrictions while working an alternate job and collecting TTD benefits.
Lake	08/26/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1)]	One count of WC fraud [820 ILCS 305/25.5 (a)(2)]	30 months conditional discharge; 200 hours of public service; restitution of $17,314; $100 fine plus court costs.	The defendant was observed working an alternate job while collecting TTD benefits.
DuPage	10/08/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1)]	One count of insurance fraud under $300, a Class A Misdemeanor [720 ILCS 5/46-1-A1]	2 years probation; restitution of $13,135; 100 hours community service; fines and fees of $2,457.	The defendant was observed performing yard work outside his medical restrictions while collecting TTD.
Peoria	12/15/08	One count of WC fraud, a Class 4 felony [820 ILCS 305/25.5 (a)(1)]	One count of WC fraud [820 ILCS 305/25.5 (a)(2)]	30 months probation; fines and fees of $880.	The defendant admitted under oath that his injury did not occur at work.

Appendix C

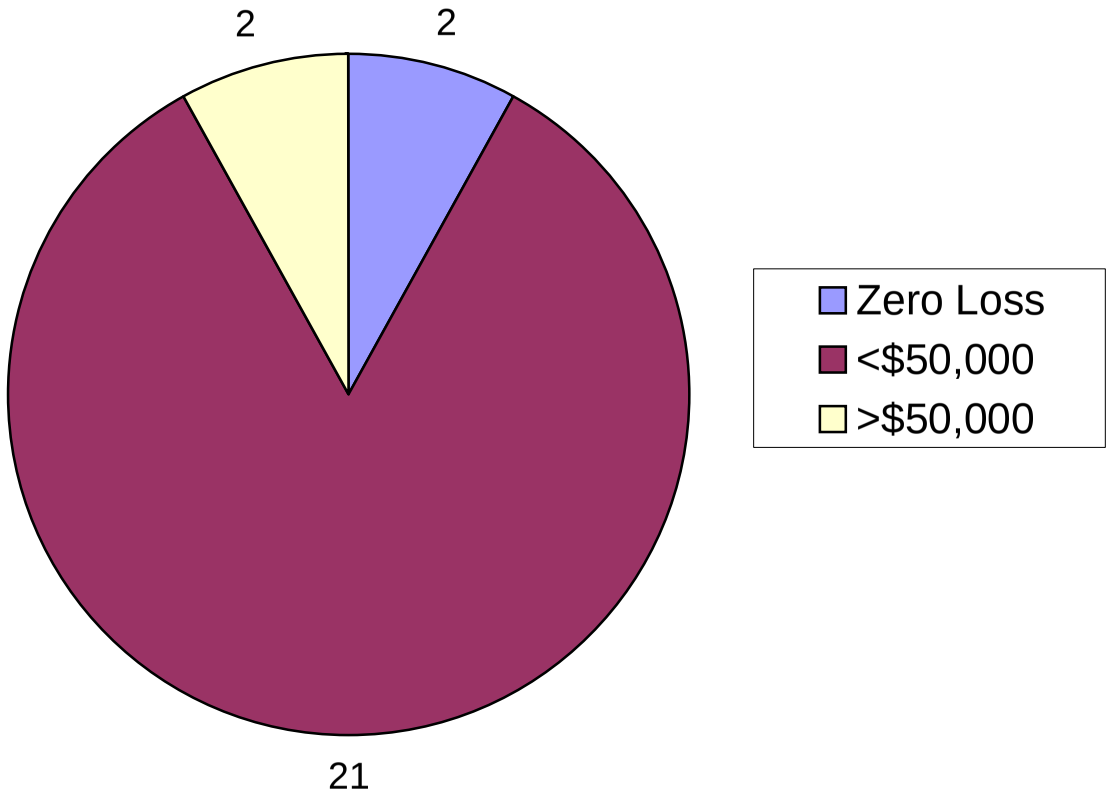
2008 REFERRED CASE FRAUD AMOUNTS BY CATEGORY



Appendix D

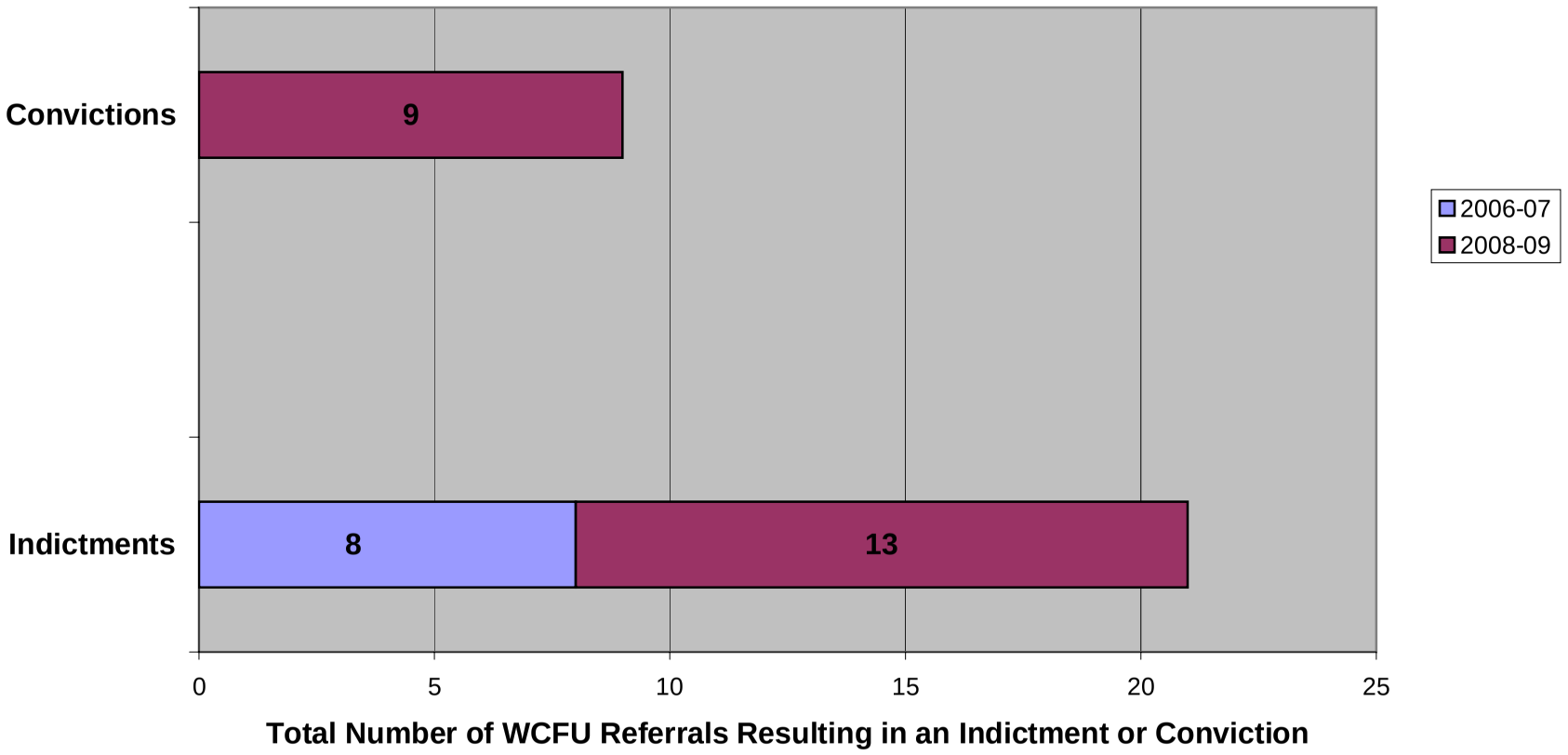
2008 REFERRED CASES BY FRAUD AMOUNT

(Employee/Claimant Cases Only)



Appendix E

NUMBER OF INDICTMENTS AND CONVICTIONS RESULTING FROM WCFU REFERRALS 2006-07 v. 2008-09*



* As of July 1, 2009

Appendix F